

FEDERAL BUREAU OF INVESTIGATION

FORM No. 1

THIS CASE ORIGINATED AT

OMAHA

FILE NO.

REPORT MADE AT MINNEAPOLIS	DATE WHEN MADE 10-6-52	PERIOD FOR WHICH MADE 9-18-20, 25-27, 29-52	REPORT MADE BY [REDACTED], SA gam
TITLE [REDACTED], was; Et Al			CHARACTER OF CASE INTERSTATE TRANSPORTATION OF GAMBLING DEVICES; CONSPIRACY
<p>SYNOPSIS OF FACTS: Complaint filed before WILLIAM ECKLEY, U. S. commissioner, St. Paul, Minnesota, September 18, 1952, charging subjects HERMAN PASTER, [REDACTED] and ALBERT GARDNER with violation of public law 906. Search warrant also issued authorizing a search of the premises of the Mayflower Distributing Company, 2218 University Avenue, St. Paul, Minnesota. Above subjects arrested by Bureau agents at the office of the Mayflower Distributing Company, St. Paul, Minnesota, on September 18, 1952, and they were taken before WILLIAM ECKLEY immediately, who released the subjects after they posted bonds returnable the next term of U. S. district court, St. Paul, Minnesota. Search for slot machines negative. On September 18, 1952, the federal grand jury at St. Paul, Minnesota, returned an indictment in two counts charging subjects with violation of public law 906. On September 22, 1952, the subjects were arraigned in U. S. district court, where they entered pleas of not guilty.</p> <p><i>10-14-52</i></p> <p><i>EE8-67</i> <i>EE8-3</i></p> <p><i>b6</i> <i>b7c</i></p> <p><i>ELR-3</i></p> <p><i>lh</i></p> <p>P</p>			
<p>COPIES DESTROYED 85 AUG 17 1966</p> <p>DETAILS: This is a joint report of Special Agent [REDACTED] and the writer.</p>			
APPROVED AND FORWARDED: [Signature] COPY IN FILE		DO NOT WRITE IN THESE SPACES 71-3129-153 RECORDED-110 EX 130 OCT 8 1952 STATE SECT.	
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63 OCT 16 1952

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AT ST. PAUL, MINNESOTA

In accordance with Bureau instructions, SA [] on September 18, 1952, discussed with PHILIP NEVILLE, United States Attorney, the desirability of having Bureau Agents make the arrest at subjects' place of business so that a search for slot machines could be made incidental to the arrest. Mr. NEVILLE advised he believed the Federal Grand Jury which was then sitting at St. Paul, Minnesota, would make their return to the court on the late afternoon of September 19, 1952, and he stated he could have the Clerk of Court expedite the issuance of bench warrants for the persons who would be indicted in connection with instant case.

Mr. NEVILLE and WILLIAM ESSLING, Assistant United States Attorney, advised that they might desire to issue United States Commissioner complaints against the individuals who would be indicted prior to the return of the Grand Jury indictments. However, they stated their opinion was that if any one of the individuals were arrested on the premises of the Mayflower Distributing Company, St. Paul, Minnesota, which is a large three-story building, the search incidental to arrest could only be confined to the immediate room and could not extend to the basement, second or third floors. However, they believed a search warrant could be issued as a result of the monthly reports that Mayflower Distributing Company has furnished to the Attorney General but they stated there might be some question regarding the validity of such search warrants.

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Mr. NEVILLE requested that he be recontacted at 11:00 A.M., September 19, 1952, at which time he would decide whether a search warrant would be issued.

CHARLES MORRISON, Chief Criminal Deputy, United States Marshal's Office, St. Paul, Minnesota, advised Mr. NEVILLE and SA [] that a few days before he had received a phone call from JOHN GRAFF, former United States Attorney for Minnesota, who advised that if indictments were returned against anyone at the Mayflower Distributing Company, he should be advised and he would have them brought in.

On September 19, 1952, SAs [] and [] recontacted PHILIP NEVILLE and WILLIAM ESSLING and as a result they authorized the filing of a complaint before United States Commissioner WILLIAM ECKLEY, St. Paul, Minnesota,

which was signed by SA [REDACTED] and as a result United States Commissioner warrants were issued September 19, 1952, against HERMAN PASTER, [REDACTED] and ALBERT GARDNER charging violation of Public Law 906.

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They also authorized the issuance of a search warrant, which was signed by SA [REDACTED], for the seizure of the 18 slot machines on which there are identifying serial numbers and which were transported interstate. Although 38 slot machines were actually transported, there are serial numbers available for only 18, which numbers are as follows:

<u>Mfr.</u>	<u>Type</u>	<u>Denomination</u>	<u>Serial Number</u>
Mills	Jewel Bell	5¢	547066
Mills	Jewel Bell	25¢	547062
Mills	Jewel Bell	5¢	542089
Mills	Jewel Bell	5¢	543844
Mills	Jewel Bell	25¢	548647
Mills	Jewel Bell	10¢	549909
Mills	Jewel Bell	25¢	551850
Mills	Jewel Bell	5¢	549869
Mills	Bonus	25¢	554966
Mills	Black Gold	10¢	558983
Mills	Black Gold	5¢	564069
Mills	Black Gold	10¢	564462
Mills	Black Beauty	5¢	567888
Mills	Black Beauty	10¢	568063
Mills	Black Beauty	25¢	568221
Mills	Black Beauty	25¢	571802
Mills	Black Beauty	5¢	574227
Mills	Black Beauty	5¢	574776

The search warrant also named slot machines and other gambling devices including but not exclusive of the 18 machines. However, Mr. NEVILLE stated that in view of recent court decisions regarding Holly Crane and Digger machines, no search should be made for such devices. He further stated that in regard to any other slot machines outside of the 18 described above, they should be technically seized, tagged, and a receipt obtained, and that the company officials should be instructed to retain same on their premises. Mr. NEVILLE stated that the numbers of these machines should thereafter be compared with the inventories which have been filed by the Mayflower Distributing Company with the Attorney General to determine if any discrepancies exist.

Mr. NEVILLE further advised he desired \$10,000 bond for both PASTER and NILVA and \$5,000 bond for GARDNER.

The complaint was filed and warrants issued and the originals were immediately given to the United States Marshal, St. Paul, Minnesota.

Arrangements had previously been made whereby SAs [] and [] were to take PASTER into custody; SAs [], and [], were to take [] into custody; while SAs [] and [] were to take GARDNER into custody.

In regard to serving the search warrant and making the search, SAs [] and [] were assigned to this matter.

SAs [] and [] entered the Mayflower Distributing Company, 2218 University Avenue, St. Paul, Minnesota, and all three subjects were immediately located and placed under arrest in one of the offices at approximately 2:29 P.M., September 19, 1952, and no slot machines were observed in the immediate vicinity.

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HERMAN PASTER immediately asked whether he could call his attorney, A. JEROME HOFFMANN, and he was granted permission and talked to JOHN GRAFF, HOFFMANN's partner. PASTER was told that all three of them would first be taken to the Federal Bureau of Investigation office in St. Paul to be photographed and fingerprinted, and thereafter would immediately be taken before the United States Commissioner. PASTER was heard to tell his attorney to meet them at the Commissioner's office.

At about this time, SA [] was called into the building with the other Agents and they served the search warrant on WALTER DONALD JOHNSON, secretary-treasurer, and the results of that search appear hereinafter.

The arresting Agents, accompanied by SAs [] and [], then took subjects in separate cars to the St. Paul resident agency and en route thereto all three subjects remarked they did not care to talk about the charges at all.

Above-mentioned Agents with subjects arrived at the St. Paul resident agency at approximately 3:05 P.M. September 19,

1952, at which subjects were photographed and fingerprinted. At approximately 3:17 P.M. September 19, 1952, CHARLES MORRISON, Chief Deputy, United States Marshal's Office, appeared at the St. Paul resident agency and subjects were officially turned over to him and they all left the resident agency at 3:24 P.M. September 19, 1952, and were immediately taken before United States Commissioner WILLIAM ECKLEY, St. Paul, Minnesota, at 3:27 P.M., and within ten minutes the proceedings were over with. Subjects' attorneys, JOHN GRAFF and A. JEROME HOFFMANN, together with MORRIS GOLDBERG, a bondsman, were waiting.

At the United States Commissioner's hearing the Commissioner set a hearing for 9:00 A.M. September 22, 1952, and bond was set at \$10,000 each for PASTER and [REDACTED], and \$5,000 for GARDNER. The Government was represented by WILLIAM ESSLING and it was pointed out that if the Grand Jury returned indictments later that afternoon, the preliminary hearing would be waived and subjects would appear before the court for arraignment and plea. Bond was immediately made and subjects released.

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The following descriptive data was obtained through interview and observation when subjects were fingerprinted:

Name	HERMAN (nm) PASTER
Residence	1752 Pinehurst Avenue St. Paul, Minnesota
Age	48 years
Born	September 10, 1904 Bassaibic, Rumania
Height	5 feet 8 inches
Weight	170 pounds
Complexion	Medium
Eyes	Blue
Hair	Black
Build	Medium
Nationality	American
Scars and marks	3-inch scar back of hand over left thumb
Criminal record	Arrested September 19, 1952, ITGD; turned over to USM, St. Paul, Minne- sota, September 19, 1952

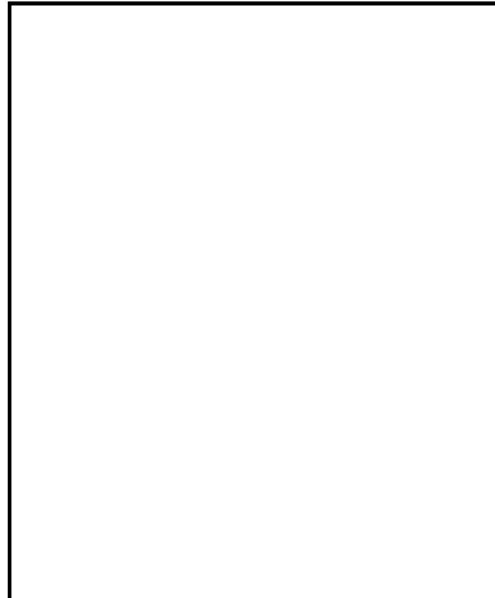
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Name
Residence

Age
Born

Height
Weight
Complexion
Eyes
Hair
Build
Nationality
Criminal record



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Name	ALBERT (nm) GARDNER
Residence	929 Selby Avenue St. Paul, Minnesota
Age	50 years
Born	July 29, 1902, Russia
Height	5 feet 2 inches
Weight	160 pounds
Complexion	Medium
Eyes	Brown
Hair	Partially bald, gray
Build	Heavy
Scars and marks	Scar on chest Mole under left arm
Criminal record	Arrested September 19, 1953, ITGD; turned over to USM, St. Paul, Minne- sota, September 19, 1952

Interview logs for subjects are being retained in this
file.

Immediately following the arrest of subjects, special agents [redacted] and [redacted] were introduced to Mr. W. G. JOHNSON, secretary of the Mayflower Distributing Company, 2218 University Avenue, St. Paul, Minnesota.

On September 18, 1952, at 2:35 p.m., Mr. JOHNSON volunteered to conduct the agents through the premises at 2218 University Avenue, St. Paul, Minnesota, and indicated that agents could search the premises. Mr. JOHNSON was very cooperative and advised agents of all of the operations of the Mayflower Distributing Company which occurred on each of the three floors the company occupies at this address.

The entire building, consisting of three floors and the basement, was carefully searched, and no gambling devices were found. Mr. JOHNSON contended that there were no gambling devices whatsoever on the premises. Agent [redacted] left a copy of the search warrant with Mr. JOHNSON, and an appropriate return was made on the warrant.

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A federal grand jury meeting at St. Paul, Minnesota, returned an indictment in two counts against the subjects on September 18, 1952.

Count one of this indictment recited that [redacted] - ALBERT GARDNER, and the Mayflower Distributing Company did, on or about March 2, 1951, in violation of title 15, section 1172, U. S. code, by means of a motor truck transport approximately 38 slot machines to Minneapolis and St. Paul, Minnesota, from Davenport, Iowa, and Rock Island, Illinois.

Count two recited that between January 15, 1951, and March 5, 1951, in St. Paul, Minnesota, and also in Iowa, Illinois, and Wisconsin, [redacted] HERMAN PASTER, and ALBERT GARDNER conspired together to transport 38 slot machines from Davenport, Iowa, and Rock Island, Illinois, to St. Paul and Minneapolis, Minnesota, by means of a motor truck, in violation of title 15, section 172, U. S. code.

This count is supported by allegations of five overt acts. Act one related to telephone calls from HERMAN PASTER, president of the Mayflower Distributing Company, made at various

times to [redacted] an employee of that company, from St. Paul, Minnesota; Milwaukee, Wisconsin; and Chicago, Illinois, to Le Claire and Davenport, Iowa, during February and March, 1951, instructing him to ascertain the whereabouts of slot machines which could be purchased by PASTER for said company in Iowa and the Rock Island, Illinois, area.

Act two related to PASTER having rented or having caused to be rented by the Mayflower Distributing Company a truck at St. Paul, Minnesota, with which to transport said slot machines from Iowa and the Rock Island, Illinois, area to St. Paul and Minneapolis, Minnesota, which truck was so used.

The third covert act related that [redacted] and PASTER did on or about March 1 or 2, 1951, go to Davenport, Iowa, and Rock Island, Illinois, and purchase 38 slot machines and assist in loading same on the above truck and did transport same in said truck to St. Paul and Minneapolis, Minnesota.

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The fourth overt act related that on the last above dates GARDNER drove the truck to Davenport, Iowa, and Rock Island, Illinois, and there picked up and assisted in loading on the truck said slot machines and returned with the same to Minneapolis and St. Paul, Minnesota, in the company of [redacted].

The fifth overt act alleged PASTER caused the Mayflower Distributing Company on or about March 2, 1951, to issue its check in the amount of \$2100, which was deposited in the personal checking account of [redacted] and against which [redacted] wrote his personal check for \$2000 to obtain cash with which he purchased 38 slot machines in and around Davenport, Iowa, and which were then transported as above mentioned.

Mr. PHILIP NEVILLE, United States Attorney, St. Paul, Minnesota, advised that the above named subjects were arraigned before the Honorable ROBERT C. BELL, U. S. district court judge, St. Paul, Minnesota, on September 22, 1952, at which time they entered pleas of not guilty.

United States Attorney NEVILLE stated that the attorneys representing the subjects requested and were granted a period

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of ten days to study the indictment before filing any motions. All of the subjects continued at liberty on the bonds previously posted by them.

ENCLOSURE TO OM/HA: Two photographs each of HERMAN PASTER, and ALBERT GARDNER are being forwarded to the Omaha office for any future use in this investigation.

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ADMINISTRATIVE PAGE

LEADS

THE MINNEAPOLIS OFFICE

At St. Paul, Minnesota

Will report the results of final prosecutive action.

* * * *

REFERENCE: Bureau teletype to Minneapolis dated September 11, 1952.
Minneapolis teletype to Bureau dated September 15, 1952.
Minneapolis teletype to Bureau dated September 18, 1952.
Minneapolis teletype to Bureau dated September 19, 1952.

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI (71-3129)

FROM : SAC, Minneapolis (71-161)

SUBJECT: [REDACTED] was., Et Al
INTERSTATE TRANSPORTATION OF
GAMBLING DEVICES; CONSPIRACY

DATE: October 15, 1952

AIR MAIL SPECIAL DELIVERY

The following is submitted so the Bureau and the Omaha Office will be informed of the most recent developments in connection with the prosecution of the above entitled case:

JEROME HOFFMANN, SYDNEY GOFF and JOHN W. GRAFF, Attorneys for the defendants in this case, filed five separate motions, service of which was admitted by the United States Attorney's Office, St. Paul, Minnesota, October 1, 1952. The above attorneys requested that these motions be heard at United States District Court, St. Paul, at 10:00 A.M., October 27, 1952.

The motions are as follows:

(1) In this motion the defendants requested the court to permit the defendants to inspect and/or copy or photograph the letter referred to in the first overt act of the second count in the indictment returned against the defendants. The letter referred to is the one written to [REDACTED] at LeClaire or Davenport, Iowa, from HERMAN PASTER, during the month of February or March, 1951.

(2) This motion requested the court to furnish the defendants a bill of particulars as follows:

a. The serial number, manufacturer, kind, type, color, size and other information which would possibly identify the 38 gambling devices referred to in the first and second counts of the indictment.

b. A clear and specific statement of the interstate transportation of the 38 gambling devices referred to in the first and second counts of the indictment.

c. A specific itemization of the long-distance telephone calls claimed to have been made by HERMAN PASTER to [REDACTED] as set forth in the first overt act.

d. A specific statement of what it is claimed HERMAN PASTER did to rent a truck at St. Paul to transport gambling devices.

e. A precise statement of what HERMAN PASTER did to cause the Mayflower Distributing Company on or about March 2, 1951, to issue its check in the amount of \$2,100 as set forth in the fifth overt act.

WMS:DMD

cc: 1 - Omaha (71-206)

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WMS

Letter, Director

[REDACTED]
ITOCB; CONSPIRACY

October 15, 1952

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(3) This motion requested a reduction in bail. (It should be noted that HERMAN PASTER and [REDACTED] have furnished \$10,000 bond, each and ALBERT GARDNER \$5,000 bond.)

(4) This motion requested the dismissal of the action against the defendants on the ground that Public Law 906, 81st Congress, Chapter 1194, Second Session (15 USCA 1171-1177) under which said indictment has been returned against the defendants, is repugnant and in conflict with the Constitution of the United States and is therefore un-Constitutional.

(5) This motion requests a severance so that a separate trial will be accorded the defendants indicted under the substantive charge, namely count one, and a separate trial for the defendants indicted under the conspiracy charge, namely count two.

PHILIP NEVILLE, United States Attorney, St. Paul, Minnesota, advised he has communicated with the department by letter requesting information on federal jurisdiction under its power to regulate interstate commerce which would be applicable to Public Law 906, so that he may prepare a brief and present an intelligent argument on October 27, 1952, the date set for hearing on the above motions.

It should be noted that the trial in this case has been set for the next term of the United States District Court at St. Paul, Minnesota, which commences on November 4, 1952.

FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT **OMAHA**

FILE NO.

REPORT MADE AT SPRINGFIELD, ILLINOIS	DATE WHEN MADE 10-17-52	PERIOD FOR WHICH MADE 10-15-52	REPORT MADE BY <div style="border: 1px solid black; width: 150px; height: 1.2em; display: inline-block;"></div> :BB
TITLE <div style="border: 1px solid black; width: 80px; height: 1.2em; display: inline-block;"></div> , ET AL			CHARACTER OF CASE INTERSTATE TRANSPORTATION OF GAMBLING DEVICES; Conspiracy

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SYNOPSIS OF FACTS:

Assistant United States Attorney, **MARK ALEXANDER**, advised no prosecution Southern District of Illinois in view of prosecution at St. Paul, Minnesota.

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DETAILS:

AT SPRINGFIELD, ILLINOIS

MARK ALEXANDER, Assistant United States Attorney, Southern District of Illinois, Springfield, Illinois, advised he would not authorize prosecution in this case in view of the prosecution instigated at St. Paul, Minnesota.

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APPROVED AND FORWARDED: <div style="font-size: 1.5em; font-family: cursive;">R. G. Hooten</div>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES	
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SI-71-100

ADMINISTRATIVE PAGE

REFERENCE

Report of SA Minneapolis, dated September 25, 1952.

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FEDERAL BUREAU OF INVESTIGATION

THIS CASE ORIGINATED AT OMAHA

FILE NO.

REPORT MADE AT Omaha, Nebraska	DATE WHEN MADE 11-5-52	PERIOD FOR WHICH MADE 10-30,31;11-1,2,3-52	REPORT MADE BY [REDACTED] - RM
TITLE [REDACTED], was., ET AL			CHARACTER OF CASE INTERSTATE TRANSPORTAT OF GAMBLING DEVICES; CONSPIRACY

SYNOPSIS OF FACTS:

Results of interview with [REDACTED] LeClaire, Iowa, as to his background and further details of his recollection concerning the matters pertinent to the prosecution of this case set forth together with similar information procured from [REDACTED].

- P -

DETAILS:

AT LeCLAIRE, IOWA:

On November 1, 1952, [REDACTED] advised that it would be virtually impossible for him to make a trip to Minneapolis or St. Paul, Minnesota for a conference with the United States Attorney anytime during the week of November 3, 1952, without the protection of a subpoena, inasmuch as he has made plans with his employer to continue a canvass of [REDACTED] sales territory in the State of Missouri, and that failure on his part to fulfill the arrangements might entail the risk of his losing his job.

~~EXPEDITE PROCESSING~~

On November 2, 1952, [REDACTED] was interviewed per the telephonic request of PHILLIP NEVILLE, United States Attorney, St. Paul, Minnesota, and the results thereof ensue.

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APPROVED AND FORWARDED: J. P. Dalton	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES	
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to the best of his knowledge, anyone who would be very close to them.

He said that the only occasion that he was ever with any of the defendants in a social sense was on one occasion about two and one-half years ago when they opened a branch office of the Paster Distributing Company at Omaha, Nebraska. At that time, it is his recollection that they went to the Birchwood Club in Omaha and had a few drinks and dinner. He recalls that HERMAN PASTER was there on that occasion and he believes that ALLEN NILVA and [] might also have been there. He said, however, that he had only a few drinks on that occasion and that nothing transpired during the evening which would in any way reflect on his character, morals or reputation.

[] volunteered the statement that he has previously given consideration to the fact that it is possible that the defendants would seek in some way to compromise or embarrass him in order to diminish the value of his testimony as a Government witness in this case, and that he has racked his brain without recalling anything which they might use against him in this connection as he believes that there is nothing in his background which would either seriously embarrass him personally or as a government witness in this matter, although he does not believe that the defendants, particularly the defendant HERMAN PASTER, are above manufacturing evidence which might be used without purpose.

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CONCERNING [] CLAIM AGAINST THE
MAYFLOWER DISTRIBUTING COMPANY

[] said that he believed that it was during December of 1949 that he contacted HERMAN PASTER to determine whether or not PASTER could use his, [], services as a []. On that occasion PASTER indicated interest in the proposition and requested [] to come to the Offices of the Mayflower Distributing Company, St. Paul, Minnesota, for interview.

[] does not recall the exact date but states it is his belief that it was also during December 1949 that he made a trip to St. Paul, Minnesota and called at the

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office of the Mayflower Distributing Company on a Sunday morning. HERMAN PASTER and his brother-in-law, ALLEN NILVA, were present at the time and after a rather lengthy interview, PASTER told [] that he desired to hire [] as a [] for that company in the Tri-City area, which consists of Davenport, Iowa, Rock Island and Moline, Illinois, and their suburbs.

The terms of such employment were discussed orally and it was agreed that PASTER would pay [] a salary of \$75.00 per week plus \$50.00 expenses and, in addition, that he would pay [] a bonus of 3 percent of all direct sales made by []. [] says that the above was in the form of an oral agreement and was never at any time subsequently reduced to writing. It is to be noted that [] territory was later extended to include the State of Iowa and western Illinois, and that he was later, also by oral agreement, given a \$75.00 per week expense account.

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[] pointed out that within a year after he went to work for PASTER under the terms of the above oral agreement, that PASTER purchased a half interest, personally, in a coin operated machine business at Davenport, Iowa, known as the Sandler Distributing Company which was owned by a man named [] of Des Moines, Iowa. Thereafter the name of the [] Distributing Company was changed to the P & S Distributing Company and [] position thereafter was that of working in a more-or-less dual capacity for the Mayflower Distributing Company and the P & S Distributing Company.

He said that almost from the inception of this partnership between PASTER and [], there was constant bickering between them as to virtually all phases of the operation of the P & S Distributing Company. He said that on numerous occasions PASTER said, or other wise indicated to him, that he was the true head of that business and that [] was only a "stooge" acting for him, PASTER, as the Manager of the Des Moines Office of the Paster Interests which are centered in St. Paul, Minnesota.

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On the otherhand, [] was more-or-less inclined to disregard the Paster Interests as a whole and was inclined to regard the P & S Distributing Company as having no direct interest with the Paster Interests in general, [] recognizing PASTER only as an equal partner in the P & S Distributing Company.

[] continued that he frequently received conflicting instructions from PASTER and [] and that on each such occasion he was advised by PASTER that he should do what PASTER said and ignore []. PASTER usually pointed out that he personally had hired [] and that [] was more-or-less of a personal employee and subordinate of his, PASTER's.

[] said that during the period of his employment under the above oral agreement which terminated when he voluntarily quit during April of 1951, that he sold merchandise aggregating more than three hundred thousand dollars and upon which he was entitled, under the terms of the above oral agreement, to receive commissions to the aggregate of ten to twelve thousand dollars.

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[] said that in the early stages of his employment he made no specific issue of attempting to collect on his commission account but that during the latter stages of such employment he asked PASTER, on several occasions, for remittances and on each occasion PASTER put him off by stating that he would cause the records of the Mayflower Distributing Company and that of the P & S Distributing Company to be analyzed with a view to determining the amount owing to [] under such agreement, and that he would thereafter see that [] got his money.

[] said that it became increasingly obvious to him during the latter part of 1950 that PASTER was probably ultimately going to deny that he had ever made an oral agreement with him, [], for the payment of 3% commissions on direct sales made by [].

In view of this, [] said that he made a trip to Minneapolis, Minnesota one Sunday during the spring of 1951, just before he quit, and had a conference with PASTER and ALLEN NILVA at PASTER's home in Minneapolis.

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At that time PASTER orally agreed to recognize the commission claim of [] and said that he would send him a check for \$500 the day following and would get caught up on payment of the balance of the commission account as quickly as the marshalling of the figures reflecting the amount of [] claim could be handled.

[] said that PASTER never forwarded the \$500 check and that he has never received one cent payment for the commission account and, in fact, that PASTER subsequently denied any liability thereunder and impliedly denied the fact that he had ever made the agreement with [].

[] said that as of the time he quit in April of 1951, he realized that he would probably never be able to prove his oral agreement with PASTER and that his commission claim was probably worthless, although he has retained duplicate copies of the original sales records concerning merchandise sold by him under the agreement and could still establish the claim except for the fact that it would be his word against PASTER's as to the actual existence of the arrangement.

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[] said that he has made no effort to collect his commission account from PASTER, either in whole or in part, since shortly subsequent to the time when he quit PASTER's employ in April 1951, realizing the probable futility of such efforts. [] also said that he has never made any demands of any kind for payment of or on said account in writing to the best of his recollection and is sure that he has never made any written threats or indications of intention to collect same at any time.

[] said that because of PASTER's original agreement, above set forth, to reimburse him on a 3% commission basis for merchandise sold by him, that he "knocked himself out" for over a year trying to sell as much of the merchandise of the Paster Interests as possible and that he considers that he did an outstanding sales job as a result.

[] said that as a result of this agreement with PASTER that he worked late nights, Saturdays and Sundays, and at various other odd times in efforts to close sales and that

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he would certainly not have done this had he been expecting to receive only \$75.00 per week salary. [] also said that due to the inherent nature of the coin operated machine business, that it is necessary to expend large sums for entertainment of prospective customers and their friends, and that neither the original \$50.00 per week expense account or the \$75.00 per week later allowed for that purpose even came to close to reimbursing him for his cashout sales expenses. [] said that he did not mind this so much at the time because he felt that he would be liberally be compensated for such expenditures made out of his own pocket by the amounts which he would receive as commissions for merchandise sold and that it is a matter of fact that he actually "busted" himself in defraying additional sales expenses relying upon PASTER's promise to compensate him on the above commission basis.

In view of the foregoing, [] said that it should be easy for anyone to see why he hates and distrusts HERMAN PASTER, although [] went on to state that he feels more-or-less sorry for [] as he feels that PASTER is only using him as a cats paw to do PASTER's dirty work.

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[] was then closely questioned concerning any arguments he might have had with PASTER or others connected with the PASTER Interests concerning his commission account and as a result of which he might have made threats of any kind against them.

[] said that he could think of only one occasion when anything transpired which might be considered as being along that line.

[] then went on to explain that when he quit PASTER's employment in April of 1951, that he went to work for the Heisler Manufacturing Company of Waterloo, Iowa, which concern manufactures agricultural equipment of various types. This fact was known to PASTER and others connected with the

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Paster Interests. At the time he quit he entered into an oral agreement with PASTER which was generally to the effect that whenever PASTER should receive new types of machines and coinoperated devices such as pin ball machines, bowling alleys, etc., that he would send one sample machine of each type to [] for display purposes, [] in return agreeing to display such machines and to sell from the samples as many as possible on a commission basis for the Paster Interests. It was understood that [] would not be any longer considered as an employee of the PASTER Interests and that he would do the sales and display work strictly in his spare time.

[] said that as the week passed he received none of these machines which PASTER had agreed to send to him for the above purposes. As a result he called PASTER's office by long distance telephone and, when being advised that PASTER was out, talked to his brother-in-law, ALLEN NILVA, and asked NILVA why they had not sent sample machines as promised. [] said that it was pretty obvious to him that PASTER never had any intention to do so because ALLEN NILVA then advised him that they had talked the matter over and felt that they could not tie up the amount of equipment in money that would be necessary to follow out this program and that they had decided that they would not do so in the future. [] said that this made him very angry because they had not even bothered to tell him of their change in plans and that he had gone ahead at some expenditure of time and money and arranged a display place for such machines.

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He said that as a result, upon hearing [] statement, he, [], "flew off the handle" and indicated that they had not played fair with him. In response, [] stated that [] said something to the effect "how would you like to have the Heisler Company know that you are selling other lines of merchandise on the side and not devoting full effort to the sale of their products?" [] said that this made him even more angry and he said something in return to [] "now that you have showed your true colors, how would you like to have me tell the FBI all about the slot machines that you hauled up to St. Paul from the Davenport Area?" [] said that immediately after saying that he slammed up the receiver of the phone in anger and refused to talk to [] when he called back a few minutes later.

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[] said that at the time he actually had no intention of contacting the FBI with that information and that he had made the above statement in a fit of anger as above explained.

Here it should be noted that at no time did [] voluntarily approach the FBI and, infact, that it was necessary for the Reporting Agent to initiate steps which ultimately made [] available for interview and the development of the considerable information furnished by [] concerning this case. It should be further noted that [] estimates that the above conversation with [] took place in the spring of 1951, and that it was not until September of the same year when he was originally contacted by the Reporting Agent.

[] was then closely questioned as to whether or not he might have made statements to others than the defendants in this case or persons who might be considered as being connected with it, which could be construed as being in the nature of threats against any of the defendants.

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After considerable reflection, [] stated that he has "sounded off" about the manner in which they "gypped him" out of his commissions to various people in the Davenport area and that he has probably made numerous statements to persons whose identities he does not know recall to the effect that he considers PASTER to be dishonest and treacherous, probably pointing out on most of such occasions his experience with PASTER in connection with the commission account as the basis for such statements. [] said, however, that he does not recall of having made any threats, either express or implied, to the defendants or to any third persons except that he might have dropped a few remarks to third persons around Davenport, Iowa, to the effect that he would like to "sock HERMAN PASTER in the nose" or some such effect.

[] said that the only specific instance upon which he made any statements, which he, in his estimation, could be considered either directly or inferentially as constituting threats against any of the defendants, was on an occasion just previous to the time he quit PASTER's employ in April of 1951.

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On that occasion he was in Des Moines, Iowa, talking with [] who was at that time a partner of Paster's in the P & S Distributing Company. They were discussing [] commission account and PASTER's refusal to recognize or pay same. [] says that he remembers of having made some statement to [] to the general effect that "PASTER has screwed everyone he has ever dealt with but someday he will find out that he has screwed the wrong guy when he gypped me out of my commissions". [] said that at that time he knew that [] and PASTER were very hostile toward each other, presumably because PASTER was cheating [] in their partnership affairs, and that [] expressed sympathy for [] in the whole matter, and in fact, that [] was ultimately responsible for lining up [] job with the Heisler Manufacturing Company after he had quit the employ of the Paster Interests.

INFORMATION FROM [] CONCERNING TELEPHONE
CALLS MENTIONED IN COUNT II OF
INSTANT INDICTMENT

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[] was questioned in detail concerning all phases of his recollections concerning telephone calls received by him from HERMAN PASTER during February and March of 1951, during the course of which PASTER instructed [] to line up slot machines available for purchase in the Davenport area. [] states that he has positive recollection of having received either two or three such calls.

[] also advises that he is positive that these calls were received by him during the month of February, 1951, and to the best of his recollection, that none of them were received previous to the tenth of February, that year. He also recalls that all of these calls were received by him within a two week period and that although he is willing to declare that none of them were received prior to February 10, 1951, that he is equally positive that they were probably received during the last ten days of that month and that they were received within the approximate period of one week during the latter part of February, 1951. He

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also advises that the hereinafter mentioned letter from PASTER concerning the same subject was received during the last two weeks of February, 1951.

[] said that he is unable to furnish the exact date upon which any of the two or three above mentioned calls from PASTER were received and that he never had any way of knowing what PASTER's location was on the occasion of receiving any such calls, but knows that they were by long distance telephone and presumes that they were made from either St. Paul or Minneapolis, Minnesota, as these are the cities in which PASTER's chief place of business and residence, respectively, are located, although they could have been placed to him by PASTER from other points.

[] further stated that he can positively state that it was HERMAN PASTER, and no one else, with whom he talked on the occasions of these calls. He had previously had a large number of conversations with PASTER over the phone and well knew his voice. In addition, he has had a large number of personal conversations with PASTER which further enabled him to identify PASTER's voice beyond question.

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[] said that the subject matters of the calls were practically identical. On the occasion of each call, PASTER referred to the so-called "Minnesota Law" concerning possession of gambling devices which was just then being passed, or just recently had been passed, by the Iowa Legislature. PASTER pointed out to [] that the severe penalties of this law even for the mere possession of slot machines, would undoubtedly result in a scramble for the various clubs and other owners of slot machines in Iowa to "unload" them before the effective date of the statute, which [] recalls was during the last week in February, 1952.

On each call, PASTER went on to advise him that he desired to take full advantage of this anticipated scramble and that he wanted to buy up every available slot machine that [] could find out about and line up for purchase for transportation to St. Paul, Minnesota and ultimate disposition from that point. PASTER also told [] on the occasion of each call that because of the "heat" which was generated by the above law, that he should be able to buy machines

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"dirt cheap" or words to that general effect, as it was PASTER's opinion that none of the owners of slots in Iowa wanted to continue to have them in their possession and run the risk of paying heavy penalties at the time the above law went into effect. [] said that PASTER also told him on each occasion to forget about everything else he was supposed to be doing in favor of lining up any slot machines in the Davenport area or elsewhere in [] territory, which might be available for purchase. Whenever [] had lined up such machines, PASTER said he should telephonically contact the St. Paul Office and make such fact known, following which PASTER would send [] to Iowa to consummate the purchase of the machines and transport same back to St. Paul, Minnesota.

[] says that he recalls that on each occasion he told PASTER that by giving him such instructions, PASTER was placing him in a very embarrassing position for two reasons. [] pointed out to PASTER that he did not want to run the risk of becoming involved with Federal authorities by being in any way connected with the Interstate transportation of slot machines which [] then knew to be illegal as a matter of Federal statute.

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In connection with this point, PASTER only told him that he did not have to worry about it as he would see that the matter of actual purchase and subsequent transportation of the machines from the Davenport Area or elsewhere in Iowa to St. Paul would be handled by [].

[] says that he also recalls that he raised the second point that he was being embarrassed by receiving conflicting instructions from PASTER and [] in connection with the proposed purchase of slot machines.

[] stated that he pointed out that [] had instructed him to have nothing to do with the procurement of slot machines as he, [], was attempting to run a legitimate business and did not want to become involved in possible violations of either the State or Federal laws by having anything to do with traffic in slot machines. [] also said that he had a hard time reconciling these instructions of [] with the instructions which he was then receiving from PASTER in view of the fact that he was more-or-less employed both by PASTER and the P & S Distributing Company and therefore more-or-less obligated

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to two bosses, namely PASTER and [REDACTED]. In response to this, PASTER told [REDACTED] not to forget that it was he, PASTER, who had originally hired [REDACTED] and that he was in complete control, both of the PASTER Interests in St. Paul and the P & S Distributing Company in Des Moines, Iowa; that if [REDACTED] gave him any conflicting instructions he should ignore same as [REDACTED] was only a "stooge" of his, PASTER's, who was merely managing PASTER's Des Moines Office; and that if [REDACTED] did not comply with PASTER's instructions about lining up the machines, that PASTER would regard it as an outright violation of his instructions to [REDACTED] and inferred that [REDACTED] would be in danger of losing his job.

[REDACTED] also recalled that several times during such conversations, PASTER said "to hell with [REDACTED]".

[REDACTED] said that during the last two weeks of February, 1951, after receiving at least one of the above telephone calls from PASTER, and just previous to the receipt of one or more similar phone calls, he was absent from his home in LeClaire, Iowa on a sales trip for a day or two.

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On his return home, he found in his mail accumulated during his absence, an envelope postmarked at St. Paul, Minnesota bearing the return address of the Mayflower Distributing Company. The envelope was unopened. He opened the envelope and found therein a one page typewritten letter on the stationery of the Mayflower Distributing Company dated two or three days previous. He also specifically recalls that the letter bore the autographic signature of HERMAN PASTER which signature he was at that time fully familiar. It is his recollection that the letter started out with the customary statement that he had been doing a good job and was going to "go places" in the Paster organization. He further recalls that the letter then said that he should spend more time on collection of old accounts in his territory and that the remainder of the letter dealt with the procurement of slot machines.

It is his specific recollection that PASTER again repeated his instructions to [REDACTED] that he should give "top priority" to finding out about every slot machine in his territory, particularly around Davenport, Iowa, which might be available for purchase by the Paster Interests

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and that [] was to telephonically contact St. Paul Office as soon as he had tentatively made arrangements for the purchase of such machines, following which PASTER would see that arrangements were made for the purchase and ultimate transportation to St. Paul.

[] further recalls that the letter contained language indicating that he, [], should give this matter his immediate attention and should ignore everything else that he was supposed to do in connection with his job until this particular item had been completely handled. [] is also willing to state under oath that he recalls the phrase "top priority" was used in the letter.

It was further stated by [] that he had previously discussed PASTER's instructions about lining up slot machines for purchase with [], as he, [], was at all times opposed to this activity, feeling that it might involve him in some violation of the law. In view of this he then showed the letter to [] and in his presence she read the letter and proceeded to discuss the instructions of PASTER in point with [].

It is noted that [] was interrogated concerning this letter on November 2, 1952, at which time she furnished the following information.

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[] advises that during February of 1952 she recalls having followed with considerable interest the daily press accounts concerning the passage of the so-called "Minnesota Law" by the Iowa Legislature as it was a leading topic of conversation by the public generally at that time.

She further recalls that [] was absent for a day or two on a business trip within the week previous to the time that this law became effective, which he estimated was in the last ten days of February, 1951. During his absence, a letter was delivered in the usual course of the United States mails which bore a St. Paul, Minnesota post mark and the return address of the Mayflower Distributing Company at St. Paul, Minnesota. The letter was addressed to [] and for this reason she did not open it.

Upon the return of [], he opened this letter in her presence and after reading it, handed it to her, following which she carefully read it. Immediately thereafter she and [] engaged in a conversation which largely

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centered around [] unwillingness to comply with PASTER's instructions about lining up slot machines for purchase which had been set out in the letter, the conflicting instructions in point given to him by PASTER and [] and the possibility of his losing his job if he failed to comply with PASTER's instructions.

When questioned in detail as to the letter and its contents, [] stated that she could testify to the following.

It was a one page letter, typewritten, on the stationery of the Mayflower Distributing Company, St. Paul, Minnesota, and bore the autographic signature "HERMAN PASTER".

While she does not recall the exact language of the letter, she specifically recalls that it contained instructions from PASTER to [] telling [] to forget about selling bowling alleys and other types of equipment for the time being and give "top priority" to the contacting of clubs and known owners of slot machines to line them up for purchase as quickly as possible as that was a matter of topmost importance to PASTER.

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[] said that during the discussion with [] on the letter, she recalled that he instructed her to put it away carefully as he wanted to keep the letter for his protection and that she believes that she did so, although she and [] have completely ransacked the house on two occasions and have been unable to find the letter.

It is to be noted that both [] have no specific recollection of having destroyed or otherwise disposed of this letter, but that as two diligent and complete searches of all papers in their possession has failed to reveal its presence there, they are both willing to testify that the said letter has either been inadvertently misplaced, lost or destroyed and for these reasons it is not available to them at the present time.

It should be noted that [] has stated that she does not at this time recall the date upon which the

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"Minnesota Law" became effective in the State of Iowa, but that if such date could be established, she is willing to testify that the above letter was received within a matter of three days prior to or subsequent to the effective date of that statute because of her ability to positively link up in her mind the occasion of the receipt of the letter and her then current reading in the papers about the effective date of that law.

She further states that she is willing to testify that the letter was received within ten days prior to the time that [] came to Davenport, Iowa to purchase the slot machines from the American Legion Post and others, which latter occurrence she fixed as having been during the first few days of March, 1951.

INFORMATION CONCERNING THE FIFTH OVERT ACT
CITED IN INSTANT INDICTMENT

[] on November 2, 1952, reiterated that upon the arrival of [] in Davenport, Iowa on March 1, 1951, that he, [], was called to the Black Hawk Hotel in Davenport by [] and that he went there on the morning of that day and called upon [] at [] room. [] said that he and [] then proceeded immediately to have a conversation concerning the location and ownership of slot machines which [] had learned as the result of PASTER's instructions, above mentioned, might be available for purchase by []

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During this conversation, the approximate number and cost of such machines was discussed. [] then stated that he would have to clear with HERMAN PASTER before buying any machines as he wanted specific instructions from PASTER as to how many machines PASTER wanted and what prices he and [] would be permitted to pay. During this same phase of the conversation, [] said that he had come to Davenport with only a small sum of pocket money with which to defray his personal expenses and that it would be necessary for him to in some manner procure the rather substantial sum of cash needed to purchase the machines in question, and that he, [], wanted to

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talk to PASTER about how he would get this money.

[] said that [] then proceeded to call HERMAN PASTER at a number in Milwaukee, Wisconsin, and in the presence of [] had a conversation with PASTER. [] said that he obviously was unable to hear any of the statements made by PASTER during the conversation but that he heard all of the statements made by [] to PASTER during the course of same.

[] recalls that early in that telephonic conversation he heard [] state something to the effect that he, [] had a line on approximately seventy slots which should be available for purchase at very low prices. He did not hear PASTER's response to [] statement but [] told him immediately after the conversation that PASTER had told [] to buy every available slot machine and that it is his recollection that the language used by [] in talking to PASTER would confirm that as although he is unable to remember the exact words used by [], that [] made a statement to PASTER that he would do the best he could and would buy everything in sight.

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[] also recalls that during this conversation [] mentioned to PASTER that he had no money with him with which to buy these machines and asked PASTER how he wanted that handled. It is [] recollection that [] was then silent for a few moments, apparently listening to instructions from PASTER, and that [] then made a statement something like "well, for Christ's sake, be sure and pad him good right away today because I don't want my check to bounce". [] can testify also, that immediately following this conversation between [] and PASTER, that [] told [] that PASTER had told him, [], to go ahead and issue his personal check for enough to buy the machines that he was transporting back to St. Paul at that time and that he, PASTER, would instruct JOHNSON or JOHNSTON at the St. Paul Office to have a check deposited to [] personal account for a sum sufficient to cover the amount of the check to be issued by [] per PASTER's instructions.

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INFORMATION CONCERNING THE SECOND OVERT ACT
CITED IN INSTANT INDICTMENT

With relation to the last above mentioned telephone conversation between [] and PASTER on March 1, 1951, [] can testify that he heard [] make an inquiry of PASTER during the course of their telephone conversation about the transportation of any slot machines which [] should buy in Davenport, Iowa, to St. Paul, Minnesota, and that although [] did not hear whatever PASTER said in rejoinder thereto, that [] told [] immediately after the telephone conversation that PASTER had told him to call the St. Paul Office and have a truck come down to pick up the machines. [] can also testify that later the same day [] told him that he had been in touch with JOHNSON or JOHNSTON at the St. Paul Office and that JOHNSTON had advised him that the man who had previously used his truck for that purpose had "backed out" and that arrangements were being made to rent a truck to be driven to Davenport for that purpose by GARDNER.

It is to be noted that at one time [] advised that she did not desire to be brought into instant case with relation to the information above attributed to her concerning her knowledge of the letter from PASTER to [], above mentioned. It is to be further noted, however, that on November 2, 1952, she advised that if her testimony along the above indicated lines would be of any assistance to the Government, that she is now ready and willing to be subpoenaed as a Government witness in that connection, and would, if subpoenaed, testify along the above lines.

It is to be further noted that wherever the details of information supplied by [] as set forth above, are somewhat more amplified than set forth in previous reports, that this is due to the fact that [] states that he has now been able to give such matters a great deal of further consideration and reflection and is, as a result, able to recall considerable additional data over and above that previously supplied by him.

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INFORMATION CONCERNING THE CONTACTS BY [REDACTED]
WITH [REDACTED] CONCERNING THE LATTER'S POS-
SIBLE TESTIMONY IN THIS CASE

During the interview on November 2, 1952, [REDACTED]
[REDACTED] furnished the following information.

Sometime during the latter part of the week of September 21, 1952, [REDACTED] received a telephone call at his residence from one [REDACTED], a former slot machine dealer and operator, presently engaged in the sale and distribution of vending machines, who has his place of business and resides at Rock Island, Illinois.

Although not an intimate associate of [REDACTED] has been known to [REDACTED] as a something more than casual acquaintance over a period of the last several years.

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During the course of that call, [REDACTED] was very guarded in his conversation and would only state that he had a proposition to make [REDACTED] which he thought might be of interest to [REDACTED]. [REDACTED] suggested that [REDACTED] call at his, [REDACTED], office to discuss the matter but declined to divulge any further information.

The same day [REDACTED] went to Rock Island, Illinois and called at [REDACTED] Office where he met [REDACTED]. They went into [REDACTED] private office and, after a brief exchange of pleasantries and trivial conversation, [REDACTED] finally said something to the effect, "What's this deal that you and HERMAN PASTER have?" [REDACTED] said that he replied something to the effect that he did not know of any "deal" except that he knew that the Government was after PASTER for having been involved in Interstate Transportation of slot machines in violation of the Federal laws.

[REDACTED] then said "I don't like the S__ of a B__ as he has screwed me and practically everyone else he has ever done business with, but after all, [REDACTED] he is a family man with two children and none of us want to see anyone with children go to prison." At this juncture in the

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conversation, [] said that he suggested that if they were going to discuss that matter that they have the remainder of the conversation in his, [], car. [] said that his reason for this precaution was the fact that he was afraid that [] office might be "wired" and that it was then evident to him that [] was going to in some manner approach him concerning the prosecution of instant case.

[] and [] then went out and got into [] car and the conversation was continued.

[] opened that second phase of the conversation by stating that he had been in Chicago, Illinois, presumably within the past day or two, and had been approached by several of "the boys" in Chicago concerning the prosecution of HERMAN PASTER. [] says that neither on that occasion or on any subsequent occasion has [] indicated the identity of any individual as being one of "the boys" but that by his conversation, that [] clearly intended that [] infer that by "the boys" he meant the manufacturers, distributors, and operators of slot machines in Chicago, Illinois.

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[] then continued something to the effect [] you know you're getting the blame for HERMAN's being investigated".

[] said "well, that's news to me". [] then said, "the boys in Chicago that HERMAN did and does business with there think so". [] said something to the effect that this was not good for [] and although he did not indicate that either [] or any member of his family might meet with foul play because of their suspicions, his statements were of such nature that [] gathered the impression that [] clearly indicated to convey this general impression to [].

[] then said something to the general effect "you tell the boys in Chicago that I don't give a damn what they think. I'm no longer in the coin operated machine business and don't intend to re-engage in that business in the future, so let them think what they like."

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[] then said something to the general effect that the "boys" in Chicago, while none of them particularly like or trust PASTER, felt that they have made a lot of money off of him over a period of years and felt that it was their duty to help him out at this time, and particularly with reference to this prosecution.

[] then went on to tell [] that he understood from "the boys in Chicago" that [] is supposed to have a letter from PASTER to the effect that PASTER wanted [] to line up slot machines which he could purchase in Iowa, but that "the Chicago Boys" had talked to HERMAN about this and that he had denied that he had ever written any such letter. [] then said that "the boys in Chicago" know that PASTER is a liar and felt that he might have written [] such a letter and that [] might actually have such a letter in spite of PASTER's denials to them. [] said that he thought this was reasonable as PASTER has a reputation pretty generally of being willing to lie where the truth would serve him better.

[] then went on to say that irrespective of the fact that "the boys in Chicago" thought that PASTER might have been lying to them about the letter, that for old times sake they were willing to raise a sum of money to pay [] if he would give this letter to [] for delivery to them and for [] "going easy on HERMAN" at such time as he might be called as a witness in connection with this prosecution.

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[], then out of a clear sky, asked [] how much he figured PASTER owed him on his commission account. [] said that he was completely taken aback by this question of [] because he has never discussed this matter with [] and does not see [] could have even known that [] has been asserting an unpaid claim for commissions against PASTER and the Paster Interests.

[] said that in response to this latter question of [], he said "something over \$10,000".

[] then made a statement to the effect that he was sure that "the boys in Chicago" would be willing to give [] some money to apply on this account if he would

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change his attitude toward PASTER, but that [] did not know how much they would be willing to raise.

[] then advised [] that he wanted it clearly understood that he did not intend to do anything which would compromise his position as a possible Government witness in this case or endanger his personal involvement with violations of the Federal law. He went on to state that he wanted [] to also understand in connection with any further discussion of payments to [] on the part of anyone, that [] wanted it clearly understood that in such discussions he was specifically discussing only the legitimate settlement of his legitimate commission account which PASTER actually owes him and that in no event would he accept any full or partial settlement of that claim without the advice of his attorney and without the knowledge of the United States Attorney at St. Paul, Minnesota.

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[] then continued that he was sure that "the boys in Chicago" would "go" \$5000 and he told [] that he would see about this and be in touch with [] in the near future.

[] stated that on the evening of Friday, October 3, 1952, he was at his home as was []. [] came to their home and was there for an hour or possibly a little more.

[] engaged in a lengthy conversation in the presence of both [] and although [] is unable to recall any of the specific language used by [] on that occasion, he is able to set forth the following summary of [] conversation.

[] opened the talk by stating that he has talked to some of "the fellows in Chicago who were interested in HERMAN PASTER" and had been assured that he would get \$5000 for delivery to [] in a couple of days but that first he would have to see the above mentioned letter which PASTER had supposedly sent to [] in order to be able to advise the "boys in Chicago" that he had seen the letter and could advise them that he was certain that [] was in possession of it.

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[] told [] that he had the letter but that he felt it was none of [] business and that he would not show [] the letter, again stating that he did not want to get involved in that phase of the situation and was only willing to discuss legitimate payment of his legitimate commission account against Paster Interests.

[] said that [] then began to talk in circles and "back water" and that he finally agreed that he would give [] \$5000 to apply on the account regardless of seeing the letter and that it would be fully understood between them that the \$5000 would be received upon the commission account.

In response, [] told [] again that before accepting any money he would want to have the advice of his lawyer and would not receive any money without first making such negotiations known to the United States Attorney at St. Paul, Minnesota. [] further told [] that he would not personally accept any money from [] or anyone else in connection with the entire matter and that any payment that was paid would have to be made to his lawyer, [] at Davenport, Iowa.

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[] then left the house, stating that he would be in touch with [] in a day or two, but that [] has heard nothing from or about the entire matter since that occasion.

[] also recalled that on that occasion [] stated that he certainly did not want to become involved in any way in the Paster case and that he very much wished that "they" had contacted someone other than him to handle the negotiations with [].

It is to be noted that [], upon interview on November 2, 1952, corroborated her presence during the conversation between [] and [] at the [] residence on the evening of Friday, October 3, 1952, and stated that she would give the same information as that furnished by [] in connection therewith.

It is to be noted that [] expressed the belief that [] talk about having been in contact with "the boys in Chicago" is pure fiction designed to obscure the fact that [] was acting as intermediary with []

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either at the express request of HERMAN PASTER or someone acting for him. [] said that [] appeared to be fully familiar with details of the Government's case against PASTER and the other defendants involved herein and to such an extent that he did not believe that [] could conceivably have come into the possession of so much information except by contact with someone directly interested in the case.

[] also expressed the belief that because of PASTER's wide spread reputation in the coin operated machine field as being ruthless, sharp, and treacherous, and because the further fact that everyone in that field is hostile to him, that it would be exceedingly doubtful that anyone in the business, particularly at such a widely separated point as Chicago, Illinois, would, out of the goodness of their hearts, attempt to do anything to shield PASTER from prosecution.

[] further ventured the belief that the reason why he has heard nothing further from [] can be accounted for by []

[] which Grand Jury, [] returned indictments against HERMAN PASTER, ALLEN NILVA and A. G. CHRISTIANSON, the Attorney General in North Dakota, for violations of the Federal laws relating to the Interstate Transportation of slot machines, and Conspiracy in connection with such violations, which [] would almost obviously have been known to PASTER and the other defendants in this case, and which would probably have irrevocably indicated to them of []

[] advised that it is his desire and intention to testify fully and completely concerning any information which he may have which is pertinent to this case or to the case at Fargo, North Dakota, irrespective of any further approach by [] or others which might appear to be designed to persuade her otherwise.

[] also advised that he will immediately contact the Reporting Agent should he be re-approached by [] or

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contacted by anyone else in any way which could be conceivably considered as being connected with this case, including any further offers or negotiations of settlement of his claim against the Paster Interests or otherwise.

It should be noted that both [] have expressed fear that the defendants, or persons acting for them, might attempt to inflict bodily injury upon [] or members of his family and that both have voiced the opinion that the subject PASTER is capable of engaging in such tactics.

Both [] have observed, on several occasions, strange automobiles driving past their residence during the hours of darkness and at very slow speeds, the occupants thereof apparently attempting to ascertain the identities of the persons in the [] home on such occasions.

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[] states that his fears in this regard are chiefly predicated upon inferences by [] during the above two conversations that such an event might transpire by his having had made statements to [] that indicated that "the boys in Chicago" are "very unhappy because he ratted on HERMAN" and other similar statements, and also from [] belief based on the general knowledge of PASTER that he might stoop to such tactics of intimidation.

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ADMINISTRATIVE DATA

The interviews with [] set forth above were conducted at the specific telephonic request of PHILLIP NEVILLE, United States Attorney, St. Paul, Minnesota, on October 30 and 31, 1952.

At that time Mr. NEVILLE requested that the Reporting Agent induce [] to present himself voluntarily for a lengthy conference with Mr. NEVILLE at St. Paul, Minnesota on November 3, 1952, or at such other date later during that week as [] might find it possible.

Mr. NEVILLE indicated that the purpose of such conference would be a complete review of [] potential testimony on the points mentioned in this report as well as an exhaustive interrogation of [] touching upon his background with a view to determining whether or not [] appears to be vulnerable to impeachment as a Government witness in this case because of a possible criminal record, personal escapades, or other occurrences which might indicate that the defendants have in their possession information which could be used for that purpose at the time of trial.

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On October 31, 1952, Mr. NEVILLE telephonically requested that if [] for any reason, should be unwilling or unable to present himself voluntarily as above mentioned, that it was Mr. NEVILLE's desire that [] be exhaustively interrogated along the above lines and that a report be expeditiously submitted in view of the fact that this case would be assigned for trial at an early date and that same is of unusual importance and is receiving wide spread interest in the Minneapolis - St. Paul area.

Copies of this report are being directed to Chicago, Milwaukee and Springfield Offices for information purposes inasmuch as they might be requested to conduct further investigation in this case which would touch upon the matters mentioned in this report.

For the information of the Springfield Office it is noted that [] and [] are friendly and that [] desires that every reasonable precaution be taken, should it be instructed that [] be interviewed, to shield

OM 71-206

ADMINISTRATIVE DATA

[] as the source of the information which involved

It is noted that this would be a request somewhat difficult of compliance, which [] realizes, and that in the event that [] is to be interviewed, that he suggested the following procedure. That [] be advised at the outset of such interview, that the FBI has been maintaining a surveillance on [], partially for the purpose of determining the identity of persons whom he contacts or who contact him, and for the further purpose of ascertaining the identities of any persons who might appear about to inflict injury to [] or members of his family as a result of his being a potential government witness in this case; that the fact that [] had contacted [] and that [] had again contacted [] at [] home as mentioned herein was developed by observations of FBI Agents and that a statement should be made to [] that if [] does not desire to fully disclose the nature and extent of his dealings with [] on these occasions, that it will be necessary for the FBI to interrogate [] to procure such information.

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[] has suggested that [] at all times, appeared very furtive and that it is the belief of [] that [] borrowed an automobile in order to call at [] home on October 3, 1952, inasmuch as he knows []'s car by sight and noted that on that occasion [] used a tan Oldsmobile sedan which [] mentioned at the time that it was not his but was a borrowed car.

It will be noted that at the conclusion of the details of this report, statements are made to the general effect that [] is genuinely afraid that PASTER and the other defendants in this case might attempt to retaliate against him by inflicting bodily harm upon himself or members of his family and this is being offered for additional consideration in the event that an interview of [] is requested by the USA at St. Paul, Minnesota.

OM 71-206

ADMINISTRATIVE DATA

It should be noted that [] has not requested that the FBI furnish personnel to act as body guards for him or his family but that the Reporting Agent has anticipated such a request and has fully advised [] of the inability of the Bureau to do so, accompanied by a detailed outline of Bureau policy in such matters.

[] has advised, however, that if he receives any intimation that either he or members of his family might be done bodily injury or if any threats are made to him or to them that he will immediately communicate the facts in connection therewith to representatives of the Bureau, as well as to appropriate local law enforcement officers.

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THE MINNEAPOLIS DIVISION

At St. Paul, Minnesota:

Will discuss the details of this report with United States Attorney NEVILLE and ascertain (a) if there is any additional inquiry he desired to be made of [] in connection with any of the matters set forth herein, or otherwise, and (b) will ascertain whether or not it is desired that any action be taken in connection with the approaches by [] by [] as set forth above and, if so, to set out appropriate leads in connection therewith.

THE OMAHA DIVISION

Will continue to follow and report developments connected with the prosecutive action in this case.

REFERENCE: Omaha Letter to Minneapolis dated November 3, 1952.

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

Mr. Tolson ✓
Mr. Ladd ✓
Mr. Nichols ✓
Mr. Belmont ✓
Mr. Clegg ✓
Mr. Glavin ✓
Mr. Harbo ✓
Mr. Rosen ✓
Mr. Tracy ✓
Mr. Egan ✓
Mr. Gurnea ✓
Mr. Hendon ✓
Mr. Jones ✓
Mr. Quinn ✓
Mr. Winterrowd ✓
Tele. Room ✓
Mr. Holloman ✓
Miss Gandy ✓

AIR-TEL

Transmit the following ~~Teletype~~ message to: DIRECTOR

FBI, MINNEAPOLIS

11/20/52

3:30 P.M.

MS:SSS

DIRECTOR

[REDACTED] WAS., ETAL; ITOGD, CONSPIRACY. TRIAL
OF THIS CASE BEGAN USDC, ST. PAUL, BEFORE THE HONORABLE
DENNIS DONOVAN, TEN A.M. TODAY. PHILIP NEVILLE, USA, AND
TWO ASSISTANTS REPRESENT THE GOVERNMENT AND THE DEFENDANTS
ARE REPRESENTED BY HENRY M. GALLAGHER, FORMER MINN. SUPREME
COURT JUSTICE, JOHN GRAFF, FORMER USA, ST. PAUL, AND SIGNEY
GRAFF, ST. PAUL ATTORNEY. NEVILLE ANTICIPATED TRIAL WILL
LAST FOR A WEEK OR TEN DAYS. COURT HAS GRANTED PERMISSION
FOR LOCKED JURY DURING TRIAL.

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b7c

END

71-161

CC: OMAHA
SPRINGFIELD
CHICAGO

G.I.R. 2

RECORDED - 59

104

NOV 21 1952

71-3129-157

Approved: *Brd*

Special Agent in Charge

Sent _____ M Per _____

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI

FROM : SAC, Minneapolis (71-161)

SUBJECT: [redacted] et.al.
ITOGD

DATE: December 1, 1952

G.I.R.-6

On November 30, 1952, [redacted] Robbinsdale, Minnesota, [redacted] at Lyndale and Lawry Avenues North, Minneapolis, Minnesota, volunteered information to SE [redacted] of this office.

[redacted] advised [redacted] that possibly the life of [redacted] LeClaire, Iowa, was in danger as a result of his testimony for the government in the above captioned case. At the first contact with [redacted] would not reveal the source of his information but hinted that one [redacted] whom he characterized as a bookie, a gambler, "strictly no good" and a former member of the notorious "purple gang" of Detroit, Michigan, was involved in this threat. He further stated that [redacted] was definitely involved in the recent gang shooting in St. Paul involving one ARTHUR JAFFE. [redacted] advised that [redacted] lived at [redacted] Minneapolis, but that he was preparing to move and leave this area. He indicated that [redacted] had been involved in slot machine operations in the past. It should be noted that considerable newspaper publicity had followed the recent attempted slaying of ARTHUR JAFFE in St. Paul.

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Since [redacted] did not reveal to [redacted] this source of the above information upon his first interview with [redacted] he was recontacted by [redacted] in an attempt to ascertain any specific knowledge of a definite threat to the life of [redacted]. On re-interview [redacted] stated that he had no specific information concerning any threat on [redacted] life, but that it was simply a case of "putting two and two together in connection with the JAFFE affair." Since according to [redacted], JAFFE was a "squeeler" and that [redacted] would probably be next. [redacted] was questioned as to the source of this information.

When further questioned by [redacted] he remained non-specific but hinted that he had received his information from one [redacted], who operates the [redacted], which is adjacent to the above mentioned address for [redacted]. [redacted] advised that he is well acquainted with [redacted] and [redacted] brother, [redacted] who operates the [redacted] Minnesota, located at [redacted]. He stated that the [redacted] know the Jewish element in Minneapolis, both good and bad, and there is little that they do not hear in connection with questionable and criminal activities. He stated, however, that the [redacted] are strictly legitimate themselves. It is known to [redacted] that [redacted] works for [redacted] and it is possible that [redacted] is [redacted] source rather than [redacted].

WMS:MLS

cc: 1 - Omaha

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RECORDED-77

EX-111

DEC 8 1952

79 DEC 9-1952

71-3129-158

MEMO Director, FBI

12-1-52

Re: [redacted] et. al.

ITOGD

During a recent investigation in the case entitled [redacted] [redacted] Victim, Extortion, it was revealed that [redacted] is considered unreliable, is a heavy drinker and a family problem who has passed numerous fraudulent checks and has a past criminal record in the State of Iowa for check forgery.

It should be noted that at both contacts with [redacted] by [redacted], an attempt was made to persuade [redacted] to have a Special Agent of this office to interview him in connection with this matter. [redacted] consistently refused, stating that he would talk only to [redacted] and that if contacted by an agent, he would not only not talk, but would deny that he had talked to [redacted].

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In view of the non-specific and possible unreliable source of the above information, no recommendation is being made for the Omaha Office to contact [redacted] in regard to this matter, however, in view of the possibility of future threats or harm to witness [redacted], the above is submitted for possible future use.

NK 6-17-52
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

NOV 29 1952
TELETYPE

Ag
FBI, MINNEAPOLIS

11-29-52

3-47PM

SH

DIRECTOR, FBI AND SAC, OMAHA

URGENT

[REDACTED] ETAL, ITOGD. FED. JURY, ST. PAUL, MINN AT 718

ELEVEN AM TODAY, RETURNED GUILTY VERDICT AGAINST ALL SUBJS, INCLUDING b6 b7C

MAYFLOWER DISTRIBUTING CO. ON SUBSTANTIVE COUNT OF INDICTMENT, AND

RETURNED GUILTY VERDICT AGAINST SUBJS HERMAN PASTER AND [REDACTED] li

[REDACTED] ON CONSPIRACY COUNT.

OM TO BE ADVISED

END

RECORDED - 28

171-3129-159

34 DEC 4 1952

294
6 DEC 11 1952

EX-100

G.I.R. 23
cc Substantive Department

All Slot Machine Conspiracy Case Defendants 'Guilty'

'Guilty' In Slot Case



Convicted today in the slot machine case are, from the left, Herman Paster, Samuel Nilva and Albert Gardner.—Staff Photos.

Mr. Tolson _____
Mr. Ladd _____
Mr. Nichols _____
Mr. Belmont _____
Mr. Clegg _____
Mr. Glavin _____
Mr. Harbo _____
Mr. Rosen _____
Mr. Tracy _____
Mr. Laughlin _____
Mr. Mohr _____
Mr. Winterrowd _____
Tele. Room _____
Mr. Holloman _____
Miss Gandy _____

7-16-68 JST

7-16-68 JST

ST. PAUL DISPATCH

11-29-52

77 DEC 16 1954

171-3129-A
RECORDED
98 DEC 15 1952

SENTENCE SCHEDULED FOR JAN. 4

Three St. Paul men and a local firm were found guilty today in the slot machine trial.

A jury which got the case in U. S. district court here Friday afternoon reported its verdict to the court at 10:30 a. m. to Judge Dennis F. Donovan, who heard the case.

Guilty were:

SAMUEL NILVA, employe of Mayflower Distributing Co., guilty of transportation of slot machines and conspiracy to violate federal anti-gambling laws.

ALBERT GARDNER, another Mayflower employe, guilty of transportation, but innocent of conspiracy—he was charged with both transportation and conspiracy.

HERMAN PASTER, president of Mayflower firm, guilty of conspiring to violate anti-gambling laws.

MAYFLOWER FIRM, guilty of transporting slot machines over states lines.

On plea of defense attorneys, Judge Donovan continued bond of \$5,000 for Paster, and \$3,000 each for Nilva and Gardner.

The judge referred the men to a probation officer for pre-sentence investigation and set the date for sentencing as Jan. 4 at 10 a. m.

Paster and his two employes took the verdict with surprising calmness. The black-haired, tight-lipped head of the Mayflower firm managed a smile when a reporter asked him if he and the other two convicted men would pose for a photograph.

"I don't think so," Paster said, smiling agreeably, nevertheless. "I hate to disappoint you, but we've got relatives and children living here."

The three men vanished immediately down the corridor of the federal courts building, although John W. Graff, one of their counsel, said he would use some persuasion if he could to get them to pose for cameramen.

The verdict was a triumph for the government's attorneys because it put teeth into the new anti-gambling laws. At the office of the U. S. district attorney, it was learned that a long wait for a verdict was anticipated. On the other hand, some of the defense counsel were disappointed when the jury did not return a verdict late Friday afternoon. The case went to the jury at 3:05 p. m. Friday.

Both charges, that of transportation as well as conspiracy, are felonies. The maximum penalty for transportation is two years in prison or a \$5,000 fine, or both, that of conspiracy, five years in prison or a \$10,000 fine, or both.

Principal witness for the government was Laurel Carleton, Davenport, former salesman for the Mayflower firm. The prosecution claimed Carleton acted on orders from Paster in the subsequent purchase and transportation of the "one-armed bandits."

FEDERAL BUREAU OF INVESTIGATION

FORM No. 1
THIS CASE ORIGINATED AT OMAHA

FILE NO.

REPORT MADE AT MINNEAPOLIS	DATE WHEN MADE 12/5/52	PERIOD FOR WHICH MADE 12/1/52	REPORT MADE BY <div style="border: 1px solid black; width: 150px; height: 20px;"></div> DMD
TITLE CHANGED <div style="border: 1px solid black; width: 150px; height: 20px;"></div> was., Et Al; MAYFLOWER DISTRIBUTING COMPANY, St. Paul, Minnesota			CHARACTER OF CASE INTERSTATE TRANSPORTATION OF GAMBLING DEVICES; CONSPIRACY
SYNOPSIS OF FACTS: <div style="float: left; width: 20%;"><i>1cc Dept 12-15-52</i></div> <p>On November 29, 1952, following a jury trial, USDC, St. Paul, HERMAN PASTER, <div style="border: 1px solid black; width: 100px; height: 20px;"></div> and ALBERT GARDNER and MAYFLOWER DISTRIBUTING COMPANY, St. Paul, were found guilty as charged in the indictment in this case, with the exception that ALBERT GARDNER was found not guilty on the conspiracy count. Subjects were permitted to remain at liberty on bonds previously posted by them. January 4, 1953, set as date for sentencing of subjects.</p> <div style="text-align: center;">- P -</div> <p>DETAILS:</p> <p>The title of this report is marked changed to reflect the MAYFLOWER DISTRIBUTING COMPANY, St. Paul, Minnesota, as a subject in this case.</p> <p>At approximately 11:00 A.M. on November 29, 1952, the trial jury in instant case at the United States District Court, St. Paul, reported its verdict to the Honorable DENNIS F. DONOVAN, Federal Judge, St. Paul. In the verdict, the defendants were found guilty as follows:</p> <p>(1) HERMAN PASTER was found guilty as charged in the second count of the indictment herein (conspiracy).</p> <p>(2) <div style="border: 1px solid black; width: 100px; height: 20px;"></div> was found guilty as charged in the first count of the indictment herein (transportation) and guilty as charged in the second count of the indictment herein (conspiracy).</p> <div style="float: right; text-align: right;"><i>8-1 7-1 4-1 G.I.R. 3</i></div>			
APPROVED AND FORWARDED: <div style="border: 1px solid black; width: 150px; height: 40px;"></div> COPY IN FILE		SPECIAL AGENT IN CHARGE <div style="border: 1px solid black; width: 150px; height: 40px;"></div> DO NOT WRITE IN THESE SPACES 71-3129-160 DEC 9 1952 RECORDED - 52	
COPIES OF THIS REPORT ③ - Bureau (71-3129) 1 - USA, Fargo 2 - Omaha (71-206) 1 - Springfield (71-100)(INFO) 1 - Chicago (71-514)(INFO) 1 - Milwaukee (INFO) 2 - Minneapolis (71-161)			

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69 DEC 17 1952

MP #71-161

(3) ALBERT GARDNER was found guilty as charged in the first count of the indictment herein (transportation) and was found not guilty as charged in the second count of the indictment (conspiracy).

(4) The MAYFLOWER DISTRIBUTING COMPANY was found guilty as charged in the first count of the indictment herein (transportation).

At the request of the defendants' attorneys, bond was continued for HERMAN PASTER in the amount of \$5,000 and bonds amounting to \$3,000 each for [REDACTED] and ALBERT GARDNER.

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January 4, 1953, was the date set for the final sentencing of the subjects.

- P -

MP #71-161

ADMINISTRATIVE PAGE

INFORMATION

Copies of this report are designated for the Milwaukee, Springfield and Chicago Divisions for information purposes.

LEADS

MINNEAPOLIS DIVISION

At St. Paul, Minnesota

Will report the results of the sentences imposed against the subjects.

REFERENCE

Report of SA [] dated 11/5/52 at Omaha.

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FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

No Duplication Fees are charged for Deleted Page Information Sheet(s).

Total Deleted Page(s) ~ 4

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